

**A RESOLUTION BY  
COMMUNITY DEVELOPMENT/HUMAN RESOURCE COMMITTEE**

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH SUMMECH COMMUNITY DEVELOPMENT CORPORATION, INC. FOR AN AMOUNT NOT TO EXCEED TWO MILLION SIX HUNDRED EIGHTY THOUSAND FIVE HUNDRED FORTY ONE DOLLARS (\$2,680,541.00) FOR THE IMPLEMENTATION OF THE RESIDENTIAL AND COMMERCIAL DEVELOPMENT COMPONENTS OF THE MECHANICSVILLE SECTION 108 PROJECT AND AUTHORIZE THE ACQUISITION OF BLOCK 85 IN ACCORDANCE WITH THE MECHANICSVILLE URBAN REDEVELOPMENT PLAN AS ADMENDED; AND FOR OTHER PURPOSES.**

**WHEREAS**, the City is the recipient of a \$4,400,000.00 Section 108 Loan from the U.S. Department of Housing and Urban Development ("HUD") under Title I of the Housing and Community Development Act of 1974 as amended; and

**WHEREAS**, the SUMMECH Community Development Corporation, Inc. ("SUMMECH") was designated as the Community Based Development Organization (CBDO) and identified as the sub-recipient of a HUD Economic Development Initiative (EDI) grant and Section 108 loan to acquire and redevelop properties in the Mechanicsville Redevelopment Area; and

**WHEREAS**, the City Council adopted Resolution 03-R-1458, authorizing a contract with SUMMECH in an amount not to exceed \$1,252,350.00 to purchase up to 35 scattered residential and commercial parcels under the Mechanicsville EDI Grant Program; and

**WHEREAS**, the Resolution authorized amending the Mechanicsville Section 108 Loan Program to include \$2,680,541.00 for residential (\$1,481,917.00) and commercial (\$1,198,624.00) development; and

**WHEREAS**, Ordinance 04-O-2087, adopted on December 10, 2004, amended the 2004-2019 Comprehensive Redevelopment Plan and the Mechanicsville Urban Redevelopment Plan by adding the Mechanicsville Block 85 Project which is comprised of 35 parcels and covers an area of approximately 3.9 acres; and

**WHEREAS**, the Section 108 funds were approved for single-family housing, multi-family rental housing, and commercial development within the Mechanicsville Urban Redevelopment Area; and,

**WHEREAS,** it is proposed that SUMMECH will leverage these funds with a \$1,400,000.00 line of credit from the Enterprise Foundation for the acquisition of vacant and occupied properties located within Block 85; and

**WHEREAS,** it is proposed that SUMMECH will secure a construction loan in the amount of \$11,000,000.00 from a local lending institutions for the acquisition of vacant and occupied properties located within Block 85 as identified in the Mechanicsville Urban Redevelopment Plan; and

**WHEREAS,** interest in the property will be secured by a deed to secure debt in subordinate position behind the applicable acquisition and construction loans; and

**WHEREAS,** interest in the improvements to the property will be secured by a deed to secure debt in subordinate position behind the applicable acquisition and construction loans; and

**WHEREAS,** all properties will be acquired in the name of SUMMECH under the contract in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, AS FOLLOWS:**

**SECTION 1:** That the Mayor is hereby authorized to enter into a contract with SUMMECH Community Development Corporation, Inc. (See Exhibit A: Development Contract) for the development of single-family and multi-family scattered housing and commercial development (See Exhibit B: List of Parcels) in the Mechanicsville Urban Redevelopment Area for an amount not to exceed Two Million Six Hundred Eighty Thousand Five Hundred and Forty One Dollars (\$2,680,541.00); said funds to be charged to and paid from the following **Fund Account Center 3P06 529002 Y47Q0273A7K0 U.S. GOV GRANT 1999, SECTION 108 LOAN .**

**SECTION 2:** The list of properties to be acquired by SUMMECH is revised to include the Involuntary Acquisition of Block 85 (See Exhibit C: Acquisition Map) in accordance to the Mechanicsville Redevelopment Plan as amended. SUMMECH will provide leveraged private resources from local lending institutions in the amount of \$11,000,000.00 as a construction loan for the acquisition of vacant and occupied properties located within Block 85 as identified in the Mechanicsville Urban Redevelopment Plan.

**SECTION 3:** Funding to SUMMECH for demolition and construction for the commercial development component will be a loan guarantee to supplement the commercial revitalization of the Ralph D. Abernathy Commercial Corridor. Terms of said loan shall be as follows:

a.	Interest Rate	5.0% per annum
b.	Term of the Loan	15 years
c.	Security Interest	Security deed on commercial development
d.	Principal	\$1,198,624.00
e.	Payments	\$9,478.64 per month
f.	# of Payments	180 monthly payments
g.	Security Interest	Security deed on land for commercial development
h.	Time Period to drawdown 108 funds	18 months after effective date of contract

**SECTION 4:** Funding to SUMMECH for the construction of single-family and multi-family scattered housing will be as a loan guarantee. Terms of said loan shall be as follows:

a.	Interest Rate	0.0% per annum
b.	Term of the Loan	SF construction period up to 36 months
c.	Security Interest	Security deed on residential development
d.	Principal	\$1,481,917.00
e.	Payments	To be repaid at closing from permanent financing
f.	# of Payments	180 monthly payments
g.	Security Interest	Security deed on land for residential development
h.	Time Period to drawdown 108 funds	18 months after effective date of contract

**SECTION 5:** The City Attorney is hereby directed to prepare for execution by the Mayor, any and all deeds, promissory notes, instruments, or other documents that the City Attorney deems necessary or advisable to carry into effect the intent of this resolution, said documents to be approved as to form by the City Attorney.

**SECTION 6:** Said deeds, instruments, or other documents shall not become binding upon the City, and the City shall incur neither obligation nor liability thereunder, until the same has been signed by the Mayor.

**CITY OF ATLANTA  
CONTRACT AGREEMENT**

<input type="checkbox"/>	COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)
<input type="checkbox"/>	EMERGENCY SHELTER GRANT PROGRAM (ESGP)
<input type="checkbox"/>	HOME PROGRAM
<input type="checkbox"/>	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM (HOPWA)
<input checked="" type="checkbox"/>	OTHER (specify): <u>MECHANICSVILLE SEC 108</u>

**MECHANICSVILLE URBAN REDEVELOPMENT/SECTION 108  
PROJECT**

(Project Title)

Acct. Nos. 3P06 529002 Y47Q0273A7K0

\$2,680,541.00

IDIS Project No.: N/A

IDIS Activity No: N/A

IDIS Plan Year: N/A

**STATE OF GEORGIA  
COUNTY OF FULTON**

**AGREEMENT**

**PART I**

THIS AGREEMENT, made and entered into this the \_\_\_\_\_ day of \_\_\_\_\_, 2005 by and between the City of Atlanta, a municipal corporation of the State of Georgia, hereinafter referred to as "City", and SUMMECH Community Development Corporation, a 501(c)(3) not-for-profit Corporation of Fulton County, State of Georgia, having been designated by the City as a Community Based Development Organization (CBDO) hereinafter referred to as "Contractor".

**WITNESSETH:**

WHEREAS, The City of Atlanta is the recipient of a Section 108 Trust Fund Loan and an Economic Development Initiative Grant from the U.S. Department of Housing and Urban Development (HUD) under Housing and Community Development Act of 1974, as amended; the Stewart B. McKinney Homeless Assistance Act 1987, as amended; and/or the AIDS Housing Opportunity Act (42 U.S.C. ≥ 12901), as amended, for the implementation of the Mechanicsville Redevelopment Plan; and

WHEREAS, the City desires to engage the Contractor to perform certain voluntary and involuntary land acquisition, new housing construction, and commercial development activities funded under the Section 108 Loan; and

WHEREAS, this Agreement was authorized by a legislation of the Atlanta City Council and approved by the Mayor on \_\_\_\_\_, 2005, a copy of which is attached hereto as Exhibit A, and made a part hereof by reference; and amended by ordinance 04-O-2087 the Comprehensive Redevelopment Plan of the City of Atlanta and the Mechanicsville Urban Redevelopment Plan by adding the Block 85 project; and

WHEREAS, the Contractor has indicated its ability and desire to perform said activities for a sum not to exceed Two Million Six Hundred Eighty Thousand Five Hundred and Forty-One dollars (\$2,680,541.00).

NOW, THEREFORE, for and in consideration of the mutual covenants and undertakings hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the City and the Contractor agree as follows:

**THE CONTRACTOR AGREES:**

- A. The Contractor shall carry out all project activities in accordance with all applicable laws, ordinances, codes, regulations, and requirements of the federal, state, county, and city governments.
- B. The Contractor shall, in a satisfactory and proper manner as determined by the City, perform the activities detailed in Part II, Work Program, attached hereto and made a part hereof for a sum not to exceed Two Million Six Hundred Eighty Thousand Five Hundred Forty-One Dollars (\$2,680,541.00).
- C. The work to be performed by the Contractor shall commence as of \_\_\_\_\_ and shall be completed on or before \_\_\_\_\_.
- D. The Contractor shall make any requests for payment under this contract no later than 90 days after the termination/expiration of the contract period, as shown in "C" above. After that date, no further payments shall be made under this contract.
- E. The Contractor agrees to provide written evidence that the acquisition of property under this agreement constitutes either a voluntary or involuntary sale and that all existing tenants, if any, shall be entitled to all benefits as prescribed under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended by the Uniform Relocation Act Amendments of 1987.
- F. The Contractor further agrees to perform the activities detailed herein, in accordance with and subject to, all the stipulations, terms, conditions, and clauses specifically set forth in, or referenced by, the contract document.

**THE CITY AGREES:**

- A. The City agrees to pay the Contractor in accordance with terms and provisions of Part II, Work Program, and Part III, General Provisions.
- B. The City shall abide by and be subject to all the terms, conditions, clauses, and stipulations set forth in this Agreement.
- C. The City agrees to provide technical assistance to the Contractor in its effort to complete the acquisition of the designated properties identified in Exhibit K.

**THE CONTRACTOR AND CITY AGREE:**

- A. This Agreement shall be construed and enforceable in accordance with the laws of the State of Georgia.
- B. Time is of the essence in this Agreement and each and every obligation and undertaking set forth herein.
- C. This Agreement contains the entire agreement of the parties, and no representations or agreements, oral or otherwise, among the parties not embodied herein shall be of any force and effect.
- D. The City shall have the right to terminate this contract if, after giving the Contractor at least thirty (30) days written notice specifying any alleged breach of this Contract by Contractor, Contractor fails to correct said deficiencies to the satisfaction of the City within thirty (30) days of receipt hereof, or for good cause.
- E. The Contractor shall have the right to terminate this contract if, after giving the City at least thirty (30) days written notice specifying any alleged breach of this Contract by the City, the City fails to correct said deficiencies to the satisfaction of the Contractor within thirty (30) days of receipt hereof, or for good cause.
- F. The parties hereto hereby designate the following persons, or their successor in title, as their representatives, to whom all notices, documents, requests, and inquiries shall be addressed:

**CITY:**

Terri M. Lee

**Name**

Director, Bureau of Housing

**Title**

City of Atlanta

68 Mitchell Street SW Suite 1200

Atlanta, GA 30303

**Address****CONTRACTOR:**

Janis Ware

**Name**

Executive Director

**Title**

SUMMECH Community Development Corporation

633 Pryor Street SW

Atlanta, Georgia 30312

**Address**

IN WITNESS WHEREOF, the duly authorized officers of the City and Contractor have caused their hands and seals to be hereto affixed the day and year first above written.

**ATTEST:****CITY OF ATLANTA:**

Municipal Clerk

Mayor

(SEA

**ATTEST:****CONTRACTOR:**

SUMMECH COMMUNITY DEVELOPMENT  
CORPORATION

Secretary/Assistant Secretary

Executive Director

(SEAL)

**APPROVED:****RECOMMENDED:**

Commissioner  
Department of Planning and Community Development

Chief Operating Officer

**APPROVED:****APPROVED AS TO INTENT:**

Chief Procurement Officer  
Department of Procurement

Chief Financial Officer

**APPROVED AS TO FORM:**

City Attorney

## **PART II**

### **WORK PROGRAM**

#### **MECHANICSVILLE URBAN REDEVELOPMENT/SECTION 108 PROJECT**

#### **PROJECT OBJECTIVE**

This project is the essential catalyst for implementing the community's plan for coordinated and comprehensive redevelopment of the Mechanicsville Neighborhood. The project involves the voluntary and involuntary acquisition of land, demolition, the construction of new single-family and multi-family homes, and the revitalization of the RDA/Pryor Commercial Corridor as outlined in the Mechanicsville Urban Redevelopment Plan (Exhibit ). One of the goals of the Mechanicsville Redevelopment Plan is to provide new economic development opportunities emphasizing local-serving commercial services while creating long-term possibilities that draw on the neighborhood's proximity to downtown. The economic development strategy therefore encourages retention of existing businesses, services, and jobs.

The Contractor will perform the work outlined in this agreement to strengthen and expand the quality of housing and the social/economic diversity of Mechanicsville through the stabilization of housing and commercial development.

This project is designed to augment the concurrent development already taking place in the area. These public funds are programmed to accommodate front-end re-development activities (acquisition, demolition, new construction and renovation) considered critical in supporting the marketability of planned housing and economic development opportunities.

The City and Contractor recognize that the Mechanicsville neighborhood is gentrifying with rapidly increasing property values that may limit acquisition activities. As a result, the use of eminent domain to acquire properties within the Mechanicsville Urban Redevelopment Area has been authorized by the Redevelopment Plan and by the City Council through Resolution 02-R-0338. It is intended that this project will continue to strive toward the creation of a mixed income community with expanded homeownership and economic development opportunities. The Contractor shall carry out the neighborhood revitalization efforts under this contract in accordance with the CPD rules and regulations Subpart C, 570.204.

#### **PROJECT DESCRIPTION**

##### **Acquisition**

Under the Section 108 Contract, the Contractor will acquire several scattered sites and will acquire Block 85 in the Mechanicsville area in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the City of Atlanta Mechanicsville Urban Redevelopment Plan. The Contractor will acquire fee simple title to all real property in their name. The Contractor as the designated Community Based Development Organization (CBDO) will acquire scattered residential sites on behalf of the City of Atlanta using the Voluntary Acquisition procedures (See Exhibit ). A recorded lien, evidenced by a Deed to Secure Debt against the property (Exhibit ) and a Promissory Note (Exhibit ) for the amount of CDBG funds expended for the property will be required. The property will be conveyed to the homeowner when construction of detached and attached single-family housing is completed. The deed to secure debt will be paid off when the property is sold. The commercial

development will be owned and managed by the Contractor when completed with the deed still intact.

The Contractor will acquire Block 85 utilizing the Involuntary Acquisition procedures (See Exhibit ). The Contractor will secure other private funds to acquire the lots located in Block 85. In the event, the Contractor cannot satisfactorily negotiate a fair purchase price, the City will acquire the properties through the power of eminent domain. For properties acquired using eminent domain, the City will convey all properties to the Contractor when the specified activity for the property has been completed.

### **Residential New Construction**

The Contractor will utilize the funds under this contract to construct scattered in-fill single family homes, attached townhouses, and multi-family (2-4 family) rental properties using community approved designs and floor plans. The City's total investment will be leveraged with \$12,500,000.00 of other public and private funds secured by the entire project to ensure that all properties are developed to meet all applicable HUD National Objectives. City funds may be used to guarantee or leverage other public and private funds to reduce the lender's risk.

### **Residential Income Eligibility**

Income eligibility for the newly constructed detached and attached single-family homes and multi-family homes is as follows:

One hundred percent (100%) of all scattered single-family homes and at least twenty percent (20%) of the attached townhouses in the project must be sold to households with incomes eighty percent (80%) or less than the Area Median Income (AMI) as set forth in Table 1. One hundred percent of all multi-family units must be rented to households with incomes eighty percent (80%) or less than the area median income.

The section 8 Income Guidelines are shown in the following chart.

**Table 1.**

<b>2/05 Sec. 8 Income By Family Size</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8 or more</b>
<b>(50%) ANNUAL Very Low Income</b>	24,900	28,500	32,050	35,600	38,450	41,300	44,150	47,000
<b>(80%) ANNUAL Low/Mod Income</b>	39,850	45,550	51,250	56,950	61,500	66,050	70,650	75,200

**\*Income limits are revised annually**



### **Residential Repayment Terms**

The terms for the repayment of the Mechanicsville Section 108 Residential Construction Loan shall be as follows:

a.	Interest Rate	0.0% per annum
b.	Term of the Loan	SF construction period up to 36 months
c.	Security Interest	Security deed on residential development
d.	Principal	\$1,481,917.00
e.	Payments	To be repaid at closing from permanent financing
f.	# of Payments	180 monthly payments
g.	Security Interest	Security deed on land for residential development
h.	Time Period to drawdown 108 funds	18 months after effective date of contract

### **Affirmative Marketing Policies**

The Contractor agrees to solicit and accept applications for the sale of its units, without regard to race, religion, ethnicity, gender, color, handicap, family status, sexual orientation or national origin. To further affirmatively market its units the contractor will agree to make use of the commercial media, inclusive of newspapers, and other media related means to solicit eligible purchasers. Any advertisements will state that the contractor is an Equal Opportunity participant. The Contractor agrees to abide by the requirements of the Fair Housing Act (42 U.S.C. 3601-20). The contractor agrees to allow the city to access its records to determine if program guidelines have been met.

### **American with Disabilities Act (ADA)**

The Contractor must design and construct all new residential housing in accordance with the applicable standards required for handicap accessibility. American with Disability Act (ADA), Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.

### **Demolition and Commercial Development**

Demolition of the pre-existing structures that have been acquired under the EDI Contract as well as those properties acquired within Block 85 will be eligible under this contract. The final product will include new construction. Specifically, demolition may include the structures located at 654-656 Pryor Street. The demolition activity will adhere to all applicable state and local codes, rehabilitation standards and ordinances, and zoning ordinances and Davis Bacon labor standards where applicable.

The commercial demolition and construction funds will be made available to SUMMECH as a loan guarantee to supplement the commercial revitalization of the Ralph D. Abernathy Commercial Corridor redevelopment.

### **Commercial Repayment Terms**

The terms for the repayment of the Mechanicsville Section 108 Commercial Demolition and Construction Loan shall be as follows:

a.	Interest Rate	5.0% per annum
b.	Term of the Loan	15 years
c.	Security Interest	Security deed on commercial development
d.	Principal	\$1,198,624.00
e.	Payments	\$9,478.64 per month
f.	# of Payments	180 monthly payments
g.	Security Interest	Security deed on land for commercial development
h.	Time Period to drawdown 108 funds	18 months after effective date of contract

The Contractor will provide a construction schedule to ensure the development is completed within the term of the contract.

### **Special Consideration**

**Bonding and Insurance** – The Contractor must satisfy all insurance requirements for the project, naming the City of Atlanta as an additional insured and loss payee, as its interest may appear in the contract agreement. Since payment assignment shall be made directly to the sellers, agents and contractors for each property acquired, the Contractor shall not be required to secure a fidelity bond. For pass-through contracts, performance and payment bonds and insurance must be approved by the City prior to commencing work.

**Assignment of Payment** – The Contractor shall provide to the City for processing an Assignment of Payment Request Form (Exhibit ) if payment needs to be made directly to a service or construction subcontractor. The Contractor shall provide the City with a Board Resolution naming the selected contractor(s) prior to disbursement. Additionally, the resolution shall state that the Board agrees to assign payment to the construction contractor(s) for the amount of work completed under the construction contract agreement.

**Lead Based Paint** – The Contractor agrees to comply with 24 CFR Part 35, sub-part J, Construction, Requirements for Notification, Evaluation and Reduction of lead-based paint hazards in federally-owned residential property and housing receiving federal assistance; Final Rule, effective September 15, 2000.

**Program Income** – The Contractor agrees that all proceeds from the sale of land, net expenses, and houses and rent collected from rental properties funded during the term of this agreement will be realized as program income and returned to the City for use to repay the Section 108 Loan.

### **Administration**

The City of Atlanta Bureau of Housing (BOH) shall administer the project on behalf of the City. BOH shall be responsible for project monitoring and processing requests for payment as detailed herein:

**Disbursement of Funds** – Prior to the disbursement of funds to cover the cost of acquisition, demolition and construction/renovation, and project management the City requires the following:

- a) The Execution of a pre-contract agreement between buyer and seller which provides evidence of meeting the requirements of an Uniform Relocation Act acquisition, and that requires the seller to provide a list of all residents, if any, to allow the buyer to survey residents to determine relocation costs and housing needs;
- b) Submission of a CD-1 form identifying the actual costs of acquiring the property;
- c) A copy of the property appraisal which states the "As Is" value of the property to be acquired;
- d) Copies of the sales contract agreement, title report and property settlement statement; and
- e) Copies of option agreements should also be provided when requesting funds for the payment of options.

Procurement – The Contractor may utilize the services of the Office of Procurement (OP) or conduct its own procurement process for the selection of subcontractors and design consultants in accordance with OMB Circular A-110, Uniform Administrative Requirements. OP must approve all contractors and include a determination of no evidence of disbarment. Selection of all subcontractors must be open, fair and competitive and reflected in the files of the Contractor. BOH shall work with the Contractor to provide technical assistance regarding acquisition policies and the use of eminent domain.

Project Monitoring – The Contractor agrees to review and maintain project records and policies as specified under Monitoring/Compliance Review.

The Contractor agrees to permit the City of Atlanta to conduct on-site, annually or at the discretion of the City to undertake performance reviews of its overall performance. The Contractor will be given a thirty (30) day notice prior to on-site visits in order that all essential documents can be organized and made available for review.

At the conclusion of a performance review, the Contractor shall be provided with a written report identifying any concerns outlined by the City. Non-compliance with any of the requirements, terms and conditions of this agreement shall constitute substandard performance. To correct such conditions, the Contractor shall be provided reasonable time, no more than sixty (60) days to comply, or (a) be denied the use of additional CDBG funds, and (b) required to repay any disbursed funds on incomplete projects.

Conflict of Interest – The Contractor shall adhere to the HUD Provision 24 CFR 570.611, conflict of interest provisions that apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part. The activities that are subject to this regulation include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to § 570.203, 570.204, 570.455, or 570.703(i)). The general rule is that no persons described above who exercises or has exercised any function or responsibility with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

### City Codes 2-1485 - Contract Clause

The vendor or contractor or firm warrants that it has not employed or retained any company or person, other than a bona fide employee working for the vendor or contractor or firm, to solicit or secure this contract or purchase order; and that the vendor or contractor or firm has not paid or agreed to pay any person, company, association, corporation, individual or firm, other than a bona fide employee working for the vendor or contractor or firms, any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this agreement. For the breach or violation of the above warranty, and upon a finding after notice and hearing, the city shall have the right to terminate the contract or purchase order without liability, and, at its discretion, to deduct from the contract or purchase order price, or otherwise recover the full amount of such fee, commission, percentage, gift, or consideration.

Reporting Requirements - In addition to maintaining records by HUD, the City requires reports to be submitted in order to assist them in meeting their requirements for record keeping and bookkeeping requirements as described in 24 CFR Sections 570.506 and 570.507. Such reports shall include, but shall not be limited to the following:

- a. Construction Progress Reports – Submit Monthly
- b. Marketing Work Plan
- c. Program Income Report (quarterly) – indicating the Program Income received and disbursement made with the income.
- d. CD-1 Disbursement Report (Exhibit )
- e. CD-2 Client Income Verification (Exhibit )
- f. CD/HM-3b Beneficiary Report (Exhibit )
- g. Annual Financial Audits

### Line Item Budget

Development Component	Section 108	Private	Sources	Outcomes
<u>Residential Development</u>				
Land Acquisition	\$ 52,564.00	\$ -		
Construction	\$ 1,429,353.00	\$ -		
Subtotal	\$ 1,481,917.00	\$ -		
<u>Commercial Development</u>				
Demolition	\$ 32,500.00	\$ -		
Construction	\$ 1,166,124.00	\$ -		
Subtotal	\$ 1,198,624.00	\$ -		
Total	\$ 2,680,541.00	\$ -		

## **PART III GENERAL PROVISIONS**

### **1. COMPLIANCE WITH APPLICABLE RULES, REGULATIONS, AND LAWS**

The Contractor and all Subcontractors shall comply with applicable laws, ordinances, and codes of the federal, state, county, and city governments. The federal regulations include, but are not limited to, the following:

- A. OMB Circular A-110, Uniform Administrative Requirements, which includes requirements for financial management, property management, allowable costs, procurement standards, reports and records, and conflict of interest prohibitions.
- B. OMB Circular A-122: Cost Principles for Nonprofit Organizations, which includes rules for determining reasonable and allowable costs, and procedures for negotiation and approval of indirect cost rates.
- C. OMB Circular A-133: Audits of Nonprofit Organizations, which includes guidelines for audits of non-profit organizations receiving federal assistance of \$500,000 or more.
- D. Equal Employment Opportunity, Executive Order 11246, as amended by Executive Order 11375, and supplemented by 41CFR Part 60, which prohibits employment discrimination by Government contractors and subcontractors.
- E. Titles VI and VII of the Civil Rights Act of 1964, which prohibit discrimination on the basis of race, color, or national origin.
- F. Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), which provides for fair housing and prohibits discrimination on the basis of race, color, religion, gender, or national origin in the sale, rental or financing of housing.
- G. Executive Orders 11063 and 12259, which prohibit discrimination on the basis of race, color, religion, gender, or national origin in the sale, leasing, rental or other disposition of residential property and related facilities.
- H. Housing and Community Development Act of 1987, Section 109, which prohibits discrimination on the basis of race, color, national origin or gender for participation in any activity funded in whole or in part with Community Development funds.
- I. Age Discrimination Act of 1975, which prohibits discrimination based on age in any activity funded in whole or in part with federal financial assistance.
- J. Rehabilitation Act of 1973, Section 504, which requires federal grantees to make their programs and jobs accessible to disabled people.

- K. Americans with Disabilities Act of 1990, which prohibits employment discrimination against qualified individuals who have a physical or mental impairment that substantially limits one or more of his/her major life activities, by employers with 15 or more employees.
- L. Copeland "Anti-Kickback" Act applies to construction contracts in excess of \$2,000.00 and prohibits contractors and subcontractors from inducing any person employed in construction or repair activity to give up any part of the compensation to which he is otherwise entitled.
- M. Drug-Free Workplace Act of 1988, which requires certification of drug-free workplace and specific procedures to ensure compliance.
- N. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, which establishes policies governing the acquisition of real property and the displacement of persons.
- O. Fair Housing Amendments Act of 1988, which prohibits discrimination against disabled people in the purchase or rental of housing and requires that newly-built multi-family housing is accessible to disabled clients.
- P. Clean Air Act and Federal Water Pollution Control Act, which applies to grants and subgrants of amounts in excess of \$100,000.
- Q. Flood Disaster Protection Act of 1973, which requires flood insurance for any acquisition or construction in an area identified as having special flood hazards.
- R. Hatch Act, which restricts political activity by federally-funded agencies and individuals
- S. Section 3 of the Housing Development Act of 1968, which requires the hiring and training of lower income residents and the use of local businesses, on contracts over \$100,000.
- T. Davis Bacon Act, which applies to construction projects which exceed \$2,000, as supplemented by labor standards provisions of the federal Department of Labor.
- U. Contract Work Hours and Safety Standards Act, which applies to construction projects which exceed \$2,000 and other contracts which are involved in the employment of mechanic and laborers and exceed \$2,500.
- V. Byrd Anti Lobbying Act, which applies to contracts which exceed \$100,000.
- W. Lead Based Paint Poisoning Prevention Act regulations, 24CFR Part 35, which apply to any grants or loans made for the rehabilitation of residential structures with federal assistance.

- X. Flood Disaster Protection Act of 1973, which restricts financial assistance for acquisition or construction purposes in specified areas, and sets forth mandatory insurance requirements.
- Y. Debarment and Suspension Executive Orders which prohibit contracts to parties listed on the General Service Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs.

## **2. APPLICABILITY OF CONTRACT CONDITIONS**

The Contractor shall include or cause to be included in each subcontract covering any of the work covered by this Contract, the provisions and conditions of this Contract, and a clause requiring its subcontractors to include such provisions in any lower tier subcontracts which they may enter into, together with a clause requiring such insertion in any further subcontracts that may in turn be made. The Contractor is fully responsible for ensuring compliance. The Contractor shall provide two (2) copies of any subcontract covering any of the work covered by this Contract to the City prior to reimbursement of funds expended under said subcontract.

## **3. INDEPENDENT CONTRACTOR STATUS**

The Contractor shall be deemed at all times an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this contract.

## **4. TAXES, FINES, PENALTIES, INTEREST**

The Contractor shall assume, and is liable for the costs of fines, penalties, and interest resulting from violations of, or failure to comply with City, Federal, or State laws and regulations, and guarantees to hold the City harmless in every respect against liability for any and all taxes. Fines and other costs from delinquent or nonpayment of taxes are not allowable expenses.

## **5. INSURANCE, BONDING, AND HOLD HARMLESS AGREEMENTS**

Prior to execution of this contract by the City, Contractor shall have obtained all insurance and bonds and met all requirements relating thereto, as set forth in Exhibit B hereof, included herein by reference and made a part hereof.

## **6. CONTRACT TERMINATION**

The City reserves the right to terminate this contract upon written notification to the Contractor under any of the following conditions:

- A. Notification by HUD that said project is ineligible because of project location, services provided, or any other reason cited by HUD.
- B. Notification by HUD that said project is deficient and is not providing adequate level of support to low income persons.
- C. Written notification from HUD that program funds made available to the City are being curtailed, withdrawn, or otherwise restricted.

The City also reserves the right to terminate this Contract or to reduce the contract compensation amount if the Contractor:

- A. Fails to file required reports or to meet project progress or completion deadlines.
- B. Materially fails to comply with any provision of this contract.
- C. Expends funds under this contract for ineligible activities, services, or items.
- D. Implements the project prior to notification from the City that the federal environmental review process has been completed.
- E. Violates Labor Standards requirements.
- F. Fails to comply with written notice from the City of substandard performance under the terms of this contract.

#### **7. PROGRAM INCOME**

Program Income (defined at 24CFR570.500) derived from this contract, if any, shall revert to the City for use in the Community Development Block Grant Program, the Emergency Shelter Grant Program, the HOME Program or the Housing Opportunities for Persons with AIDS Program, unless otherwise specified herein.

#### **8. SHIFT OF FUNDS**

Funds of the contract budget may be shifted between line items of the contract budget with advance approval by the City of Atlanta through the Commissioner of the implementing department, only to the extent that such action does not exceed ten percent (10%) of the total contract budget. If the total amount of such transfers exceed ten percent (10%) of the total contract budget, prior City approval is required.

#### **9. CONTRACT AMENDMENT**

The duties and responsibilities set forth herein shall not be modified or extended without written consent of the parties to this agreement. Such modification shall be in the form of a contract amendment executed by the parties to the contract.

#### **10. REPORTING**



The Contractor shall prepare and submit on an as-needed basis, but not more frequently than once a week, a report of financial and performance activity. This report shall be submitted on form CD-1, Activity/Expenditure Report; copies and instructions for completion of the form will be provided by the City.

All costs for which reimbursement is requested under this contract shall be in accordance with Office of Management and Budget (OMB) Circular A-110, Uniform Administrative Requirements.

Expenditures reported on form CD-1 shall be supported by appropriate documentation for all items. Any item not substantiated will be deleted by the City and the sum subtracted from the requested total.

For service projects, Contractor shall submit Beneficiary Reports as stipulated in Contract Work Program. Forms and instructions will be provided by the City.

## **11. EVALUATION AND MONITORING**

The Contractor agrees that the City of Atlanta may carry out monitoring, evaluation and auditing activities as deemed necessary by the City and HUD, or the Office of Inspector General or any of their duly authorized representatives.

## **12. MAINTENANCE OF RECORDS**

The Contractor shall maintain such records and accounts as are deemed necessary by the City of Atlanta and HUD in accordance with OMB Circular A-110 to assure a proper accounting for all project funds. The Contractor shall, as often as deemed necessary by the City, HUD or the Office of the Inspector General of the United States, permit the City, HUD, the Office of the Inspector General or any of their duly authorized representatives to have full access to and the right to examine any pertinent books, documents, papers and records of the Contractor involving transactions related to this contract, during the period of this contract and for three (3) years from the date of final payment, except as follows:

- (a) Financial records, supporting documents, statistical records, and all other records pertaining to this contract shall be retained for four (4) years from the date of the final expenditure report or until after all litigations, claims, or audit findings started before the expiration of the 4-year period, have been resolved.
- (b) Records for non-expendable property acquired with Federal grant funds under this contract shall be retained for four (4) years after final disposition of said property.

Financial Records are to be maintained in such a manner as to provide for:

- (a) Records for cash receipts and payments that would enable auditors to track project expenditures from commitment through disbursement.

- (b) Grant-by-grant accountability for receipts and expenditures.
- (c) Filing system for maintaining original and supporting documentation, such as invoices, canceled checks, purchase orders, fee calculations, insurance and bonding, as required.

### **13. AUDIT REQUIREMENTS**

The Contractor shall maintain adequate records in such a manner that they may be audited at any time during the contract period and three (3) years after termination of this contract. All contractors shall secure an annual program audit including all funds provided in this contract. The expiration or termination of this contract shall in no way relieve the Contractor of the audit requirements set forth herein. If the Contractor receives \$500,000 or more in combined federal assistance, it agrees to obtain an audit conducted in accordance with OMB Circular A-133.

### **14. PROCUREMENT STANDARDS**

The Contractor shall be responsible for following the standards and guidelines for the procurement of supplies, equipment, construction and services set forth in the Office of Management and Budget Circular A-110, Subpart C, governing procurement practices for projects utilizing federal funds. The Contractor shall not use competitive negotiation or non-competitive negotiation procedures without the prior written consent of the City of Atlanta Department of Procurement.

Consultant services provided under an independent contractor relationship are governed by Procurement Standards of OMB Circular No. A-110 and as agreed to by the City. Consultants shall receive no more than a reasonable rate of compensation.

### **15. PROPERTY MANAGEMENT**

The Contractor shall be responsible for following standards set forth by the City and the Office of Management and Budget Circular A-110, governing the utilization and disposition of property acquired in whole or in part with funds provided under this contract. An inventory record shall be maintained for each item of non-expendable property acquired under this contract. Non-expendable property is property which has a useful life of one year or more and which costs \$5,000.00 or more. Grouping of like items such as chairs with an aggregate cost in excess of \$5,000.00 shall also be controlled and accounted for as non-expendable property even though the cost of a single item is less than \$5,000.00.

The Contractor's inventory record shall include:

1. Description of equipment including manufacturer's serial number, model number, Federal stock number, national stock number or other identification number.
2. Source of equipment, including the award number.

3. Whether title vests in recipient or Federal government.
4. Acquisition date.
5. Unit acquisition cost or assigned value with explanatory explanation.
6. Information as to whether property was new or used at time of acquisition
7. Percentage of federal participation in the cost of the project or program for which the property was acquired.
8. Location and condition of the equipment and date information was reported.
9. Ultimate disposition date, including date of disposal and sales price or method used to determine fair market value.

The property inventory must be signed by the project director and a copy of the initial or updated inventory must be submitted to the City within 30 days of the purchase of any non-expendable property. The Contractor shall utilize the Contractor Inventory Record (CD-5) for the submission of this data.

The recipient shall use the equipment in the project or program for which it was acquired as long as needed whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original project or program, the Contractor must request written permission from the City to utilize the property for other purposes.

## **16. CONFLICT OF INTEREST**

Contractor hereby warrants that it will establish and adopt safeguards to prohibit members, officers and employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business or other ties. Further, no member, officer or employee of the Contractor who exercises any functions or responsibility with respect to the program during his/her tenure or for one year thereafter, shall have any financial interest, direct or indirect, in any contract or subcontract either for themselves or those with whom they have family or business ties, for work to be performed in conjunction with the program assisted under this agreement.

## **17. PUBLICITY AND PUBLICATIONS**

Any publicity given to the project or projects herein must identify the City of Atlanta as sponsoring agency. In addition, funds must be identified as coming from the U.S. Department of Housing and Urban Development through the Housing and Community Development Act of 1974, as amended.

At all places of, and in all publications concerning, activities resulting from this Agreement, the Contractor agrees to display appropriate identifying information stated as follows:

A COMMUNITY DEVELOPMENT PROJECT OF THE CITY OF ATLANTA  
funded by a grant from the U.S. Department of Housing and Urban

Development through the Housing and Community Development Act of 1974, as amended.

## **18. WRITTEN PROCEDURES**

Contractor will establish and maintain written operating procedures covering program operations and accounting practices. These procedures should be sufficiently specific as to how policies are/will be formulated, actions to be performed to carry out adopted policies and procedures, and the designation of staff responsibilities in these areas. These written policies should be distributed and available to appropriate staff and should be available for review during City or Federal monitoring visits. Procedures to be covered include, but are not limited to, the following areas:

1. Financial Procedures including accounting procedures, cash management, grants management and procurement
2. Personnel policies, including employment rights, hiring practices, time and attendance records, policies regarding non-discrimination, health benefits, and grievance procedures
3. Job descriptions of all personnel directly involved with this contract, whether or not that position is funded under this contract
4. Intake and service policies and procedures, including the forms to be used for these activities
5. Managerial responsibilities, including reports required under this contract, an annual program audit, and property management inventories (for items purchased under this contract exceeding \$5,000)
6. Program review procedures which describe on-going actions to continually review and upgrade program operations.

## **19. FIRE PROTECTION AND SAFETY STANDARDS: REHABILITATION OR CONSTRUCTION OF RESIDENTIAL PROPERTIES**

- A. The Fire Administration Authorization Act of 1992 (P.L. 102-522. Section 31) added a new section 31 to the Federal Fire Prevention and Control Act of 1974, which prohibits the use of housing assistance in connection with certain assisted and insured properties, unless various fire protection and safety standards are met. "Housing assistance" is defined as Federal assistance "used in connection with the provision of housing, and provided in the form of a grant, loan, loan guarantee, cooperative agreement, interest subsidy, insurance or direct appropriation." This definition encompasses the entire range of HUD's assisted housing and community development programs. Specifically, this requirement refers to programs funded under the Community Development Block Grant (CDBG), HOME, HOPE 3, Section 108 Loan Guarantees, Rental Rehabilitation Program (RRP), Housing Opportunities for Persons with AIDS (HOPWA), and the McKinney Act programs to assist homeless persons.

- B. Contractor must comply with the Georgia State Building Code and the Georgia Safety Fire Law as administered by the City of Atlanta Bureau of Buildings.
- C. Any newly constructed apartment building of four (4) or more stories must be fully sprinkle red.

## **20. "SECTION 3" EMPLOYMENT OPPORTUNITIES FOR BUSINESSES AND LOWER-INCOME PERSONS**

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

The Contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or representative of the contractor's commitments under this Section 3 clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to who the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.

Non-compliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and disbarment or suspension from future HUD-assisted contracts. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 of the maximum extent feasible, but not in derogation of compliance with Section 7(b).

Contracts in excess of \$100,000 are subject to Section 3, and contractors shall enter into an employment training and contracting agreement, attached hereto as an Exhibit.

## **21. EQUAL EMPLOYMENT OPPORTUNITY POLICY**

**A FIRM WITH A WORK FORCE OF LESS THAN FIFTEEN (15) EMPLOYEES IS EXEMPT FROM THE EEO REQUIREMENTS.**

Pursuant to the City of Atlanta Code of Ordinances, Chapter 2, Article X, Division 10, Section 2-1381 and Division 11, Section 2-1411 through Section 2-1419, the City declares that discrimination based upon race, sex, religion, national origin, age, or handicap is inconsistent with the U.S. Constitution, laws and policies of the United States, the State of Georgia, and the City of Atlanta.

It is the City of Atlanta's policy to prohibit discrimination by contractors who do business with the City against any employee or applicant for employment because of race, sex, religion, national origin, age, sexual orientation, or handicap. The City implements this policy by adopting gender and racial work force goals for every contractor performing work for the City of Atlanta.

Once a firm is awarded a contract, the selected firm must complete and submit the Contract Employment Report (CER) form that identifies the racial and gender demographics of the firm's work force. If the EEO goals for this contract are not met, the selected firm must also submit an affirmative action plan setting forth steps to be taken in an effort to reach the established racial and gender goals, such as advertising, recruitment effort, and training programs. If the selected firm anticipates relocating to the Atlanta metropolitan area, but does not have an Atlanta office at the execution of the contract, then the firm must submit a hiring plan setting forth an agenda for attempting to meet the established EEO goals as discussed above.

If the City of Atlanta contract will be performed by a work force located outside the Atlanta Metropolitan Statistical Area (AMSA), the firm must meet the EEO goals for the geographic

location of the office performing the work on this project. If work performed on this project is an aggregate of all company locations, the EEO goals must be met for the location of the firm's headquarters. If the company, whose work force is located outside of the Atlanta area, does not provide the City of Atlanta with the EEO goals of the geographic location of the office performing the work, then the company must meet the EEO goals of the AMSA. The EEO goal for locations outside the AMSA must be reported on the CER form. All entries will be verified for accuracy. The CER form, the affirmative action plan, and the hiring plan will become a part of the formal contract.

## **22. MINORITY AND FEMALE BUSINESS ENTERPRISE PARTICIPATION GOALS**

It is the City's desire that Minority and Female Businesses participate to the maximum extent possible in the award of contracts. The City encourages the Contractor to voluntarily utilize Minority and Female Business Enterprises in joint venture, subcontracting and procurement opportunities available under this contract.

All Minority and Female Business Enterprises (MFBEs) must be certified as such by the Office of Contract Compliance. If they are not currently certified, they must submit a Minority or Female Business Enterprise Affidavit and Contract Employment Report (CER) for certification prior to performing work on this project.

The Contractor agrees to make all good faith; best efforts to meet the goals of this agreement by making available opportunities for minority and female business enterprise participation in the work set forth within this agreement, and shall take the following actions as part of its good faith, best efforts:

1. Notification to community organizations that the Contractor has subcontractor opportunities available and maintenance of records of the organizations' responses.
2. Maintenance by the Contractor of a file of the names and addresses of each minority and female business referred to it and action taken with respect to each such referred business.
3. Dissemination of the Contractor's Minority and Female Business Enterprise policy externally by informing and discussing it with all management and technical assistance sources; by advertising in news media specifically including minority news media; and by notifying and discussing it with all subcontractors and suppliers.
4. Specific and continuing personal (both written and oral) recruitment efforts directed at minority and female contractor organizations, minority and female recruitment organizations, and minority and female business assistance organizations.
5. Subdivision of the contract into as many segments as practical to allow the greatest opportunity for participation by Minority Business Enterprises (MBEs) and Female Business Enterprises (FBEs).

6. Increasing where possible the number of aggregate purchase items so as to eliminate the requirement of front-end purchases of material for as many MFBE subcontractors as possible.
7. Implementation of the MBE and FBE participation program submitted with its response to the Invitation to Bids or Request for Proposals obligations under this agreement.
8. Submission of a Monthly Participation Progress Report and, if so specified by the Office of Contract Compliance, a Certified Payrolls Report and a Federal Monthly Manpower Utilization Report, to be due on the fifth day of each month following the award of the work set forth in this agreement.

The Contractor further agrees that its breach of the MFBE provisions contained herein shall subject it to any or all of the following penalties:

1. Withholding of ten percent (10%) of all future payments under this project until it is determined that the Contractor is in compliance;
2. Withholding of all future payments under this project until it is determined that the Contractor is in compliance.
3. Refusal of all future bids or offers for any eligible project with the City of Atlanta or any of its departments or divisions until such time as the Contractor demonstrates that there has been established and there shall be carried out all of the MFBE provisions contained herein;
4. Cancellation of this project.

The Contractor must adhere to the City's commitment to fulfilling its obligations in promoting businesses owned by minorities and the support of businesses that utilize minorities in managerial positions.

For further information on Minority and Female Business Enterprise participation and/or on Equal Employment Opportunity, the Contractor is directed to contact:

Office of Contract Compliance  
55 Trinity Avenue, S.W., Suite 1700  
Atlanta, Georgia 30335  
(404) 330-6010

### **23. EQUAL OPPORTUNITY PARTICIPATION**

No person shall be denied or excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part by this contract on the basis of race, color, creed, religion, gender, age, handicap, disability, sexual



orientation, ancestry, national origin, marital status, familial status, or any other basis prohibited by applicable law.

#### **24. NONDISCRIMINATION UNDER TITLE VI OF THE CIVIL RIGHTS ACT OF 1964**

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (PL 88-352) (the Act) and HUD regulations promulgated under the Act (including those under 24 CFR Part I) (the Regulations). The Act and Regulations provide that no person(s) shall on the grounds of race, gender, color, religion or national origin be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. The Contractor, in undertaking its obligations under this Agreement, hereby agrees to adhere to the provisions of the Act and Regulations and to take all measures necessary to assure compliance with the Act and Regulations by himself and by all Subcontractors acting under the Contractor. Further, in all contracts involving the sale, lease or transfer of land acquired, cleared or improved with assistance provided under this Agreement, the Contractor shall cause to be inserted in the deed, contract or lease for such transfer a covenant running with the land explicitly prohibiting discrimination upon the basis of race, color, religion, gender or national origin.

#### **25. REVERSION OF ASSETS**

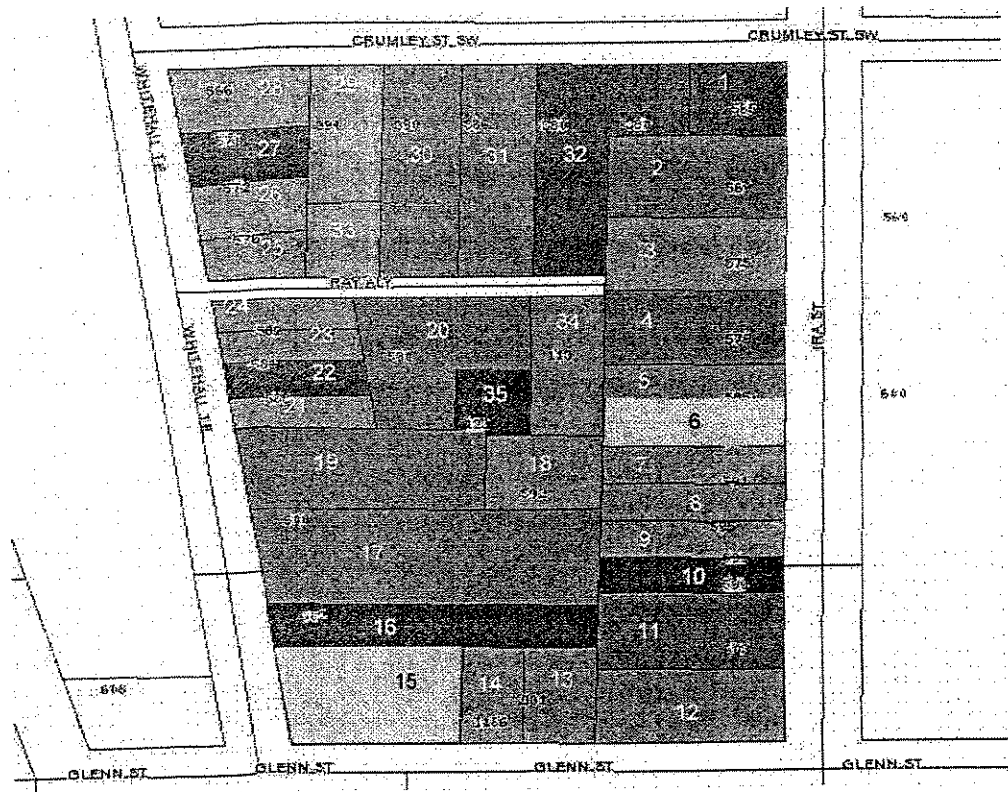
Upon the expiration or termination of this contract, all contract funds remaining on hand and any accounts receivable attributable to the use of contract funds, shall be transferred to the City of Atlanta, excepting funds which are to be retained by the Contractor for specific purposes and in accordance with procedures set forth in this contract.

Any real property owned by the Contractor which was acquired or improved in whole or in part with CDBG funds in excess of \$25,000.00 must be (1) continued to be used for the original purpose or a use which meets one of the CDBG National Objectives; or (2) disposed of in a manner that results in reimbursement to the City of Atlanta CDBG Program in the amount of current fair market value of the property, less any portion of the value attributable to non-CDBG funding. Prior to any change in the use of the property from the original intent, citizens must be given an opportunity to comment on the change, and the City of Atlanta must provide official written approval. This requirement is in effect and enforceable until five years after the termination of this contract.







## EXHIBIT B

Number	Property	Address	Proposed Devt.
1	642	Garibaldi Street	Residential
2	638	Cooper Street	Residential
3	640	Windsor Street	Residential
4	646	Windsor Street	Residential
5	652	Windsor Street	Residential
6	441	Cooper Street	Residential
7	578	Cooper Street	Residential
8	680	Smith Street	Residential
9	683	Smith Street	Residential
10	635	Windsor Street	Residential
11	227	Doane Street	Residential
12	635	Garibaldi Street	Residential
13	728	Garibaldi Street	Residential
14	644	Garibaldi Street	Residential
15	648	Garibaldi Street	Residential
16	0	Cooper Street	Residential
17	0	RDA Blvd	Residential
18	562	Cooper Street	Residential
19	654	Pryor	Commercial
20	656	Pryor	Commercial
21	350	R D Abernathy	Commercial

**Block 85**  
Redevelopment Plan



**Land Use Map**

-  Vacant Parcels
-  Single Family Vacant
-  Multi-Family Vacant
-  Single Family Occupied
-  Commercial Unoccupied
-  Multi-Family Occupied

## ***Legislative White Paper***

**Committee of Purview:** Community Development/Human Resources

**Caption:** A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH SUMMECH COMMUNITY DEVELOPMENT CORPORATION, INC. FOR THE IMPLEMENTATION OF THE RESIDENTIAL AND COMMERCIAL DEVELOPMENT COMPONENTS OF THE MECHANICSVILLE SECTION 108 PROJECT AND AUTHORIZE THE ACQUISITION OF BLOCK 85 IN ACCORDANCE WITH THE MECHANICSVILLE URBAN REDEVELOPMENT PLAN AS ADMENDED; AND FOR OTHER PURPOSES.

**Council Meeting Date:** May 2, 2005

**Legislation Title:** Mechanicsville Section 108 Project

**Requesting Dept.:** Department of Planning and Community Development

**Contract Type:** Housing and Commercial Development

**Source Selection:** SUMMECH Community Development Corporation, Inc.

**Bids/Proposals Due:** N/A

**Invitations Issued:** N/A

**Number of Bids/  
Proposals Received:** N/A

**Bidders/Proponents:** N/A

**Justification Statement:** The Section 108 funds were approved for single-family housing, multi-family rental housing, and commercial development within the Mechanicsville Urban Redevelopment Area. SUMMECH will leverage these funds with a \$1,400,000.00 line of credit from the Enterprise Foundation and secure a construction loan for \$11,000,000.00 for the acquisition of vacant and occupied properties located within Block 85 as identified in the Mechanicsville Urban Redevelopment Plan.

**Background:** The City is the recipient of a \$4,400,000 Section 108 Loan from the U.S. Department of Housing and Urban Development ("HUD"). SUMMECH Community Development Corporation, Inc. was identified as the sub-recipient of a HUD Economic Development Initiative (EDI) grant and Section 108 loan to acquire and redevelop properties in the Mechanicsville Redevelopment Area. The City Council adopted Resolution 03-R-1458, authorizing a contract with SUMMECH in an amount not to exceed \$1,252,350.00 to purchase up to 35 scattered residential and commercial parcels under the Mechanicsville EDI Grant Program. The Resolution amended the Mechanicsville Section 108 Loan Program to include \$2,680,541.00 for residential (\$1,481,917.00) and commercial (\$1,198,624.00) development. Ordinance 04-O-2087, adopted on December 10, 2004, amended the 2004-2019 Comprehensive Redevelopment Plan and the Mechanicsville Urban Redevelopment Plan by adding the Mechanicsville Block 85 Project.

**Fund Account Center:** 3P06 529002 Y47Q0273A7K0 1999 U S GOVT GRANT, SEC 108

**Source of Funds:** Section 108 Loan

**Fiscal Impact:** Section 108 Loan/CDBG Repayment

**Term of Contract:** 15 Years

**Method of Cost Recovery:** Loan guarantee to supplement the residential and commercial development

**Approvals:**

**DOF:**

**DOL:**

**Prepared By:**

Terri M. Lee, Director

Christy Fletcher, Deputy Director

Derrick Jordan, Management Analyst

Evelyn Nu'man, Financial Manager

**Contact Number:** (404) 330-6410